GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:2701
ANSWERED ON:15.12.2015
Procurement Below MSP
Paswan Shri Chhedi

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Union Government and State Government purchase grains below and above Minimum Support Price under specific circumstances through various agencies;
(b) if so, the details Rice/Paddy purchased under the said conditions during the last three years and the current year, year and State-wise including Bihar;
(c) whether the Union and State Governments have fixed any time-frame for the purchase of paddy;
(d) if so, the details thereof along with the reasons if any, for delay in procurement at the centres; and
(e) whether the Government has made any evaluation of the purchase of paddy from the farmers and if so, the details and the outcome thereof?

Answer

MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI RAM VILAS PASWAN)
(a) & (b): There is a Uniform Policy for procurement by Govt. Agencies across the country. Under this policy, whatever foodgrains are offered by farmers, within the stipulated period and which conform to the specifications prescribed by Government of India are purchased at Minimum Support Price (MSP) by the Government agencies including Food Corporation of India (FCI) for central pool. However, if any producer/farmer gets better price in comparison to MSP he is free to sell his produce in Open market i.e. to private trader/ anyone. Government of India (GOI) declares MSP for each season to incentivize the farmers.
...2/-
...2...
However, in certain circumstances procurement of foodgrains is conducted at a price higher or lower than the minimum support price (MSP). When Govt. (Union/State) declares bonus over and above MSP, foodgrains are procured at higher than MSP. When relaxations in quality specifications with certain value cut are declared, Govt. agencies procure foodgrains at a price lower than MSP imposing value cut accordingly.
No bonus over and above MSP has been declared by GOI during last three years and current year. Bonus given by different States above MSP and quantities of Paddy (in terms of rice) procured is enclosed as Annexure-I.
Further, details of relaxation given in paddy/rice are enclosed as Annexure-II. Data on quantity of paddy procured with value cut is maintained by State.
(c) & (d): Yes, Madam. For every marketing season, the period of procurement and the milling period (for paddy) are decided in respect of the procuring states in consultation with the concerned State Food secretaries keeping in view the crop pattern, estimates of production, available milling capacities etc., in a meeting convened by GOI for review of arrangement to be made for procurement in central pool.
Reasonable time period extensions for procurement and milling are also acceded to by GOI from time to time based on the proposals of state Governments citing justified and acceptable reasons. However, the state Governments is required to get the approval of GOI in advance by furnishing the prescribed information along with their request for extension of milling period.
(e): A study has been conducted by NITI Ayog on evaluation of the efficacy of Minimum Support Price on farmers recently for the reference period of 2007-08 to 2010-11.
Main findings of the study are:-
(a) The 81% of the cultivators are aware of MSP fixed for different crops in various States.
(b) It is found that 32.13%, 41.29% and 27.4% of the farmers received their MSP payment in cash, cheque in the shape of bank deposits respectively.
(c) 67% of the farmers sold their produces through their own arrangements, whereas 21% of them sold through brokers. The share of sales through private and Government Agencies were 8% and 4% respectively.
(d) It is found that 78% of the farmers adopted improved methods of farming.
(e) 94% of the farmers wanted MSP to continue.
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ANNEXURE-I
ANNEXURE REFERRED TO IN REPLY TO PARTS (a) & (b) OF THE UNSTARRED QUESTION NO 2701 DUE FOR ANSWER ON 15.12.2015 IN THE LOK SABHA
Bonus Declared By State Government on Paddy
& Quatity of paddy (In terms of rice) procured at price above MSP
Quantity in LMT
Bonus in (Rs./Quintal)
S.no.
KMS
2012-13
2013-14

2014-15
State
Bonus
Quantity
Bonus
Quantity
Bonus
Quantity
1
Maharashtra
--
200
1.61
--
2
Bihar
--
250
9.42
300
16.14
3
Chhattisgarh
270
48.04
270
42.9
--
4
Karnataka
250
0.59
290
0
--
5
Kerala
450
2.4
490
3.59
540
3.74
6
M.P.
50
8.98
150
10.45
--
7
Tamil Nadu
C=50
4.81
C=50
6.84
C=50
10.51
A=70
A=70
A=70
C = Common; A = Grade "A"
KMS = Kharif Marketing Season (i.e. from October to September)
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ANNEXURE-II
ANNEXURE REFERRED TO IN REPLY TO PARTS (a) & (b) OF THE UNSTARRED QUESTION NO 2701 DUE FOR ANSWER ON 15.12.2015 IN THE LOK SABHA
State wise Statement showing Relaxation allowed in Uniform Specifications of Paddy during the K M S 2012 − 2013 to 2014 − 2015
Sr. No.
Year
State

Refractions
Uniform Specifications (Limit %)
Relaxation allowed
Remarks
Uniform Specification (Limit %)
Out Turn Ratio %
1.
2012-13
Andhra Pradesh
Damaged,Discoloured,sprouted & Wevilled grains.
4.0
12.0
(Damaged, sprouted & Weevilled grains together do not exceed 5.0%)
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With full value cut. Relaxation allowed only for Kharif crop of KMS 2012-13 in 7 affected districts namely West Godawari, East Godawari,Srikakulam,Vijayanagram,Vishakapatnam,Krishna & Khamam. (8-2/2012-S&I dt. 11.1.13)
2.
2013-14
Punjab
Damaged,Discoloured,sprouted & Wevilled grains.
4.0
12.0
(Damaged, sprouted & Weevilled grains together do not exceed 5.0%)
--
With full value cut. Relaxation allowed for KMS 2012-13 in 17 affected districts namely Amritsar, Tarantaran,Gurdaspur, Pathankot,Kapurthala, Jalandhar, Hoshiarpur, SBS Nagar, Ludhiana, Roop Nagar, Fatehgarh Sahib, Patiala, Sangrur, Barnala, Moga, Bhatinda & Mansa.(8-11/2013-S&I dt.1.11.2013)
Tamil Nadu
Damaged, Discoloured, Sprouted and Weevilled grains.
4.0
5.0
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With full value cut. Relaxation allowed only for Kharif crop of KMS 2013-14 in 3 districts namely Nagapattinam, Thirubarur and Thanjavur of Tamil Nadu Vide letter8-10/2013 − S&I dated 10.12.2013.
Moisture content
17.0
20.0
--
Andhra Pradesh
Damaged, Discoloured, Sprouted and Weevilled grains.
4.0
12.0 (damaged +sprouted + Weevilled grains not to exceed 5.0%)
--
With full value cut. Relaxation allowed only for Kharif crop of KMS 2013-14 in 3 districts namely Karimnagar, Warangal and Naqlgonda vide letter No. 8-14/2013 − S&I dated 10.12.2013.
Vide letter dated 3.1.2014 in continuation to letter dated 10.12.2013 relaxations in paddy allowed to 4 more districts namely Srikakulam, East Godawari, West Godawari and Krishna.for Kharif crop only during KMS, 2013-14 with same term and conditions.
Odisha
Damaged, Discoloured, Sprouted and Weevilled grains.
4.0
6.0 (damaged +sprouted + Weevilled grains not to exceed 5.0%)
--
With full value cut. Relaxation allowed only for Kharif crop of KMS 2013-14 in 3 districts namely Baragarh, Kalahandi and Sambhalpur vide letter No. 8-6/2013 − S&I dated 03.1.2014
Uttar Pradesh
Damaged, Discoloured, Sprouted and Weevilled grains.
4.0
7.0 (damaged +sprouted + Weevilled grains not to exceed 5.0%)
--
With full value cut. Relaxation allowed only for Kharif crop of KMS2013-14 in Divisions namely Allahabad, Mirzapur, Varanasi, Azamgarh, Gorakhpur, Basti, Devipatan, Meerut, Saharanpur, Moradabad, Bareilly, Agra, Aligarh,. Lucknow, Kanpur, Jhansi, and Chitrakoot vide letter No. 8-5/2012-S&I dated 16.12.2013
3.
2014-15
Uttar Pradesh
Damaged, Discoloured, Sprouted and Weevilled grains.
5.0
7.0 (damaged +sprouted + Weevilled grains not to exceed 5.0%)
--
With full value cut. Relaxation allowed only for Kharif crop of KMS 2014-15 in Divisions namely Allahabad, Azamgarh, Gorakhpur, Bareilly (Pilibhit revenue distt. only), Shahjahanpur, Sitapur, Lucknow, Faizabad, Gonda and Varanasi in U.P. vide letter No. 8-

1/2014-S&I dated 16.12.2014. The same relaxations were extended to all the districts of Kanpur Mandal for KMS 2014-15 vide letter No. 8-1/2014-S&I dated 22.1.2015 with the same terms and

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Statement showing State wise Relaxation allowed in Uniform Specifications of Rice during the K M S 2012 − 2013 to 2014− 2015.

Sr. No.
Year
State
Refractions
Uniform Specifications (Limit %)
Relaxation allowed
Remarks
1.
2012-13
Andhra Pradesh
Broken grains
Raw
25.0
30.0
The relaxation would be applicable without any value cut for CMR and with Half Value Cut for levy rice for Kharif crop of KMS 2012-13 in 7 affected districts namely West Godawari, East Godawari, Srikakulam,Vijayanagram, Vishakapatnam, Krishna & Khamam (N0. 8-2/2012-S&I dt.11.1.2013)
Uttar Pradesh
Damaged/slightly damaged grains including pin point grains
Raw Rice common
3.0
4.0
The relaxation would be applicable with full value cut for CMR and levy rice for Kharif crop only.
(No. 8-5/2012-S&I dt. 20.12.2012.)
Orissa
Damaged/Slightly damaged grains.
Raw
3.0
3.5
Relaxation allowed in CMR of KMS 2012-13 in affected districts namely Kalahandi, Rayagada, Kopraput, Nabarangpur and other neighbouring districts in South Odisha with full value cut in respect of Damaged/slightly damaged grains and with Half Value cut for Broken grains vide letter No. 8-6/2013- S&I dated 18.9.2013.
Discoloured grains
Raw
3.0
5.0
Broken grains
Raw
25.0
28.0
2.
2013-14
Andhra Pradesh
Damaged/slightly damaged grains
Raw
3.0
4.0
Relaxation allowed in raw rice milled out of relaxed specification paddy without any value cut in case of CMR and with full value cut in case of levy rice in r/o Damaged/ slightly damaged grains and at the rate of half value cut in r/o broken grains, only for Kharif crop of KMS 2013-14 in 3 districts namely Karimnagar, Warangal and Nalgonda vide letter No. 8-14/2013-S&I dated 10.12.2013.
In continuation to letter dated 10.12.2013, Vide letter dated 3.1.2014 relaxations in raw rice extended to 4 more districts namely Srikakulam, East Godawari, West Godawari and Krishna for Kharif crop only during KMS 2013-14 with same terms and conditions. However, district wise quality of rice to be procured under relaxed norms was specified.
Broken
Raw
25.0
30.0
Uttar Pradesh
Damaged/slightly damaged grains
Raw
3.0
4.0
Relaxation allowed in raw rice milled out of relaxed specification paddy without any value cut in case of CMR and with full value cut in case of levy rice for KMS 2013-14 in Divisions namely Faizabad,, Allahabad, Mirzapur, Varanasi, Azamgarh, Gorakhpur, Bast, devipattan, Meerut,Saharanpur, Moradabad, Bareilly, Agra, Aligarh, Lucknow, Kanpur, Jhansi & Chitrakoot vide letter No. 8-5/2012-S&I dated 16.12.2013. Rice procured under relaxed norms will be used by State agencies.
Haryana

Damaged/slightly damaged grains
Raw
3.0
4.0
Relaxation allowed with full value cut in balance quantity of Custom Milled raw rice of KMS 2013-14 in 4 districts namely Karnal, Kurukshetra, Yamuna Nagar and Palwal vide letter No. 8-13/2013-S&I dated 2nd Jan. 2014 and in continuation to this letter relaxatuion were extended to 3 more districts namely Ambala,, Panchkula & Guhla cheeka belt of Kaithal districts for balance quantity of CMR rice with same terms & conditions vide letter dated 10.1.2014.
Again vide letter dated 5.2.2014 relaxation in rice were extended to Dhand centre of K aithal district and Narwana centre of Jind District for balance quantity of Custom Milled raw rice with same terms and conditions.
Orissa
Damaged/slightly damaged grains
Raw
3.0
4.0
Relaxation allowed in raw rice milled out of relaxed specification paddy without any value cut in case of CMR and with full value cut in case of levy rice only for Kharif crop of KMS 2013-14 in 3 districts namely Baragarh, Kalahandi and Sambhalpur vide letter No. 8-6/2013-S&I dated 3.1.2014.
Discoloured grains
Parboiled rice
5.0
7.0
3.
2014-15
Uttar Pradesh
Damaged/slightly damaged grains
Raw
3.0
4.0
Relaxation allowed in raw rice milled out of relaxed specification paddy without any value cut in case of CMR and with full value cut in case of levy rice only for Kharif crop of KMS 2014-15 in Divisions namely Allahabad, Azamgarh, Gorakhpur, Bareilly (Pilibhit revenue distt. only), Shahjahanpur, Sitapur, Lucknow, Faizabad, Gonda and Varanasi in U.P. vide letter No. 8-1/2014-S&I dated 16.12.2014.The same relaxations were extended to all the districts of Kanpur Mandal for KMS 2014-15 vide letter No. 8-1/2014-S&I dated 22.1.2015 with the same terms and conditions.
Andhra Pradesh
Broken
Raw
25.0
30.0
The relaxation would be applicable with half value cut for CMR and levy rice for Kharif crop of KMS 2014-15 in affected districts namely Srikakulam and Vijayanagram. (N0. 8-5/2014-S&I dt.19.1.2014)
Damage/slightly damage grains
Raw
3.0
4.0
Relaxation has been allowed with full value cut for 37375 tons of Custom Milled Raw Rice due from KMS 2014-15 in Central Delta Area of East Godavari District (No. 8-5/2014-S&I dated 17.08.2015)
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